

PORTUGAL



Portugal, a founding member of NATO, suffers from poor economic performance and faces budgetary challenges in meeting its NATO transformation goals, despite being a member of the European Union since 1986. While Portugal has made NATO compliance a priority, limited resources continue to hamper efforts to ensure that its military forces are trained to the level of other NATO members.

FOREIGN RELATIONS

Portugal has been a significant beneficiary of European Union funding and is a strong proponent of European integration. Portugal held the presidency of the EU Council for the third time during the latter half of 2007. During its presidency, Portugal oversaw the signing of a new EU reform treaty, staged EU summits with Brazil, Russia, India, China, and Ukraine, and held a second EU-Africa summit.

Portugal is a founding member of NATO; it is an active member of the alliance by, for example, contributing proportionally large contingents in Balkans peacekeeping forces. Portuguese forces also participate in NATO operations in Afghanistan. Portugal proposed the creation of the Community of Portuguese Language Countries (CPLP) to improve its ties with other Portuguese-speaking countries, and it currently holds the chairmanship of the Community of Democracies (CD). Portugal has also participated in a series of Ibero-American summits. Portugal was a strong advocate of independence for Timor-Leste, a former Portuguese colony, and has committed troops and money to Timor-Leste in close cooperation with the United States, Asian allies, and the United Nations. Portugal contributed a small gendarme force to Iraq that it withdrew in February 2005, and has contributed funds and personnel for other training and development projects for Iraq reconstruction, including the NATO Training Mission. Portuguese forces are also part of the UN force in Lebanon.

U.S.-PORTUGUESE RELATIONS

Bilateral ties date from the earliest years of the United States. Following the Revolutionary War, Portugal was among the first countries to recognize the United States. On February 21, 1791, President George Washington opened formal diplomatic relations, naming Col. David Humphreys as U.S. minister.

Contributing to the strong ties between the United States and Portugal are the sizable Portuguese communities in Massachusetts, Rhode Island, New Jersey, California, and Hawaii. The latest census estimates that 1.3 million individuals living in the United States are of Portuguese ancestry, with a large percentage coming from the Azores. There are about 20,000 Americans living in Portugal.

The defense relationship between the United States and Portugal is excellent, centered on the 1995 Agreement on Cooperation and Defense (ACD). For 50 years, Lajes Air Base in the Azores has played an important role in supporting U.S. military aircraft. Most recent missions are engaged in counter-terrorism and humanitarian efforts, including operations in Afghanistan and Iraq. Portugal defines itself as "Atlanticist," emphasizing its support for strong European ties with the United States, particularly on defense and security issues. Portugal sees its role as host of NATO's "Joint Command Lisbon," located near Lisbon, as an important sign of alliance interest in transatlantic security issues.

U.S.-Portuguese trade is relatively small, with the United States exporting \$2.4 billion worth of goods in 2007 and importing an estimated \$3.1 billion. While total Portuguese trade has increased dramatically over the last 10 years, the U.S. percentage of Portugal's exports and imports has been growing at a slower rate. The Portuguese Government is seeking to increase exports of textiles and footwear to the United States and is encouraging greater bilateral investment. U.S. firms play significant roles in the pharmaceutical, computer, and retail sectors in Portugal, but their involvement in the automotive manufacturing sector has declined in recent years.

Peace and Security: U.S. assistance is focused on military training to strengthen Portugal's ability to play an active role in collective defense and international peacekeeping efforts. Portugal's continued participation in both NATO and other international peacekeeping operations directly benefits U.S. security goals. U.S. assistance continues to be an essential component of Portugal's military force modernization program, its internal reorganization of service and joint headquarters staffing, as well as the overall professional military education of Portugal's armed forces. This program will be implemented through the U.S. Department of Defense.